

# Appendix I: Time Line of Major Events (1990-1999)

1990 1990 1990 1990 1990 1990 1990 1990

1. US Census Bureau reports that nearly 15% of Americans (37 million in all) are uninsured at any given time. Massachusetts uninsured is estimated at 400,000 (see year 1998, #1).
2. US spends 12% of GNP on health care.
3. Agency for Health Care Policy and Research (now Agency for Healthcare Research and Quality—AHRQ) established to carry out a medical treatment effectiveness program over five years to determine what works and to develop “practice guidelines and standards ... to assess and assure quality of care.”
4. Massachusetts passes Health Care Proxy law giving citizens the right to appoint a proxy to make their medical decisions if they become incompetent to do so.
5. Massachusetts Public Health Council approves move of St. Margaret’s Hospital from Dorchester to St. Elizabeth’s Hospital in Brighton.
6. New employer tax used to set up state trust for uninsured.
7. Harvard Community Health Plan acquires Rhode Island Group Health Association.
8. Digital Equipment Corporation becomes the first Massachusetts employer to offer a point of service plan in an effort to increase HMO usage from 28% among its 70,000 employees nationwide.
9. Since 1985, when the Massachusetts Department of Public Health Infant Mortality Task Force was founded, the infant mortality gap between black and white babies in Boston increased to 300% (see year 1998, #3, and Figure 4.4 on page 68).
10. Dr. Troy Brennan and other researchers release results of a three year study of patients in New York suggesting that four times as many Americans die from medically caused injury than are killed in auto accidents (see year 1999, #13).
11. Acute Hospital Closures/Conversions = 4

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## 1991 1991 1991 1991 1991 1991 1991 1991

1. Federal Patient Self Determination Act passes requiring health care facilities to ask patients how they would want to die and who should speak for them if they become unable to speak for themselves.
2. Health Plan Employer Data and Information Set (HEDIS) 1.0 is released. It is designed to assist employers in measuring health plan performance.
3. Comprehensive Workers Compensation reform is passed in Massachusetts. It is designed to correct, among other things, 9,500 unresolved disputed injury claims, long waits for hearings, and high premiums.
4. Massachusetts hospitals, regulated since 1981, are deregulated. Health care financing legislation Chapter 495 replaces Chapter 23. For the first time, Community Health Centers are reimbursed for free care through the Uncompensated Care Pool.
5. Nurse practitioners, physician assistants and specialized psychiatric nurses win prescribing authority in Massachusetts, joining those in 30 other states.
6. Bay State Health Care (offering wide provider choice to its members and little “management” of care) announces financial troubles.
7. Salaried doctors at Harvard Community Health Plan depose CEO Thomas Pyle over the issue of doctor productivity.
8. Lotus Development Corporation becomes the first major Massachusetts employer to insure unmarried partners of employees.
9. The Massachusetts-based Institute for Healthcare Improvement incorporates.
10. Massachusetts Acute Hospital Closures/Conversions = 1

## 1992 1992 1992 1992 1992 1992 1992 1992

1. Ballot initiative passes in Massachusetts authorizing an increase in the tobacco tax to fund a broad-based campaign to prevent young people from smoking.
2. Bay State Health Care HMO merges with Blue Cross Blue Shield and hospitals agree to forgive some debt.
3. Massachusetts receives approval from the federal government to start a managed care system for 400,000 Medicaid recipients.
4. Report from Families USA Foundation finds that prices of the 20 most popular prescription drugs increased 80% between 1984 and 1991.
5. Census report indicates that the percentage of uninsured in Massachusetts rose 28% between 1989 and 1992.
6. Massachusetts Public Health Council ties approval of hospital expansion to community service.
7. Massachusetts Acute Hospital Closures/Conversions = 0

## 1993 1993 1993 1993 1993 1993 1993 1993

1. President Clinton proposes “The American Health Security Act” and the insurance industry answers with Harry and Louise.
2. The Family and Medical Leave Act passes entitling a qualified employee up to 12 weeks of unpaid leave, and requiring the employer to maintain pre-existing health insurance.
3. Massachusetts Healthcare Purchaser Group forms representing over one million subscribers.
4. New England HEDIS Coalition is established for employers and health plans to work together to produce comparable performance data for the region.
5. Massachusetts Acute Hospital Closures/Conversions = 4

## 1994 1994 1994 1994 1994 1994 1994 1994

1. President Clinton abandons the Health Security Act.
2. Any Willing Provider law (for pharmacies) passes through the Massachusetts state legislature.
3. Massachusetts Attorney General Harshbarger proposes Community Benefits Program for hospitals.
4. Two chemotherapy overdoses, one fatal, at Dana Farber Cancer Institute, trigger outrage and official investigation.
5. Massachusetts Healthcare Purchaser Group issues its 0% premium increase challenge to HMOs and insurers for 1995 rates.
6. Partners HealthCare System Inc. is established.
7. Harvard Community Health Plan, Inc. and Pilgrim Health Care announce plan to merge.
8. Tufts Associated Health Plans, Inc. announces Secure Horizons, the first Medicare HMO product in Massachusetts.
9. Massachusetts Acute Hospital Closures/Conversions = 3

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## 1995 1995 1995 1995 1995 1995 1995 1995

1. US ruling prohibits employers from denying jobs because of a genetic predisposition to illness.
2. Governor Weld's administration receives initial approval of a Section 1115 waiver of federal Medicaid requirements allowing Massachusetts to expand Medicaid benefits to a variety of groups.
3. Governor Weld signed Chapter 5 into law implementing welfare reform in Massachusetts.
4. Massachusetts state legislature enacts The Childbirth and Postpartum Care Benefits Law which mandates insurance providers to cover 48 hour maternity stays.
5. Massachusetts Healthcare Purchaser Group issues its 3% rollback premium challenge for 1996; Harvard Pilgrim Health Care says "target could be met," Tufts Associated Health Plans, Inc. terms it "realistic."
6. HMO profits drop dramatically.
7. HMOs announce a cut in premiums for 1996.
8. Blue Cross Blue Shield announces \$17 million loss in the first quarter.
9. Gap widens between uncompensated care costs and Uncompensated Care Pool reimbursement.
10. Harvard Pilgrim Health Care forms to become the largest HMO in the region.
11. Massachusetts Acute Hospital Closures/Conversions = 0

## 1996 1996 1996 1996 1996 1996 1996 1996

1. The Federal Health Insurance Portability and Accountability Act passes enabling insured consumers to retain employer-sponsored coverage if they leave their jobs.
2. Erroneous Medicare billing practices of 83 Massachusetts hospitals are investigated by the Department of Justice and the hospitals are ordered to pay the federal government \$3.4 million.
3. Massachusetts Attorney General Harshbarger announces a precedent-setting agreement limiting the number of doctors a health care system can control.
4. Chapter 203 health care access law passes, raising the state's tobacco tax to fund expanded health care coverage for low-income children under MassHealth and establishing a prescription drug subsidy program for the elderly. Law serves as model for 1997 Federal/State Children's Health Insurance Program (S-CHIP).
5. Non-group insurance reform law passes removing barriers to insurance coverage such as pre-existing condition exclusions, waiting periods, and health screenings.
6. Legislation is filed to protect the public interest in the conversion of non-profit hospitals and HMOs.
7. Massachusetts state regulation passes allowing all residents to buy standard policies from insurers regardless of their medical condition.
8. Tufts Associated Health Plans, Inc. receives approval to expand into Maine.
9. Massachusetts Acute Hospital Closures/Conversions = 2

# 1997 1997 1997 1997 1997 1997 1997 1997

1. Federal Balanced Budget Act passes cutting Medicare reimbursement to hospitals, nursing homes and other providers.
2. Tobacco companies settle their multi-state attorneys general lawsuit.
3. Federal government sets up a pilot program in New York to give bonuses to teaching hospitals that train fewer specialists.
4. Special Advisory Commission on Managed Care is established by Governor Weld.
5. Massachusetts Uncompensated Care Pool is restructured, instituting a surcharge on all hospital and insurer bills.
6. MassHealth expansion program is implemented.
7. State legislation approves the Partnership Program making small business health insurance more affordable for lower-income workers.
8. Massachusetts Senior Pharmacy Program is implemented.
9. Bill filed requiring health insurers to do business with any teaching hospital that can prove it meets minimum cost and teaching quality criteria in response to Harvard Pilgrim Health Care dropping New England Medical Center from its network.
10. Blue Cross Blue Shield of Massachusetts is reorganized into a tax exempt managed care company, an indemnity insurance company and an administrative services company in attempt to regain profitability.
11. Harvard Pilgrim Health Care buys Neighborhood Health Plan.
12. Massachusetts Acute Hospital Closures/Conversions = 2

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# 1998 1998 1998 1998 1998 1998 1998 1998

1. US Census Bureau reports that 43.7 million Americans (16.4%) lack health insurance (see year 1990 #1).
2. Boston named by Center for Studying Health System Change as having one of the lowest rates of uninsured children (7.6%) of 12 major metropolitan areas across the nation.
3. Black infant mortality rate drops for the fifth year in a row, producing the smallest racial disparity ever (see year 1990, #14, and Figure 4.4 on page 68).
4. Joint Committee of House and Senate is unable to agree upon final version of Massachusetts HMO Regulation Bill.
5. Study by Massachusetts Association of HMOs shows that 23% of seniors require prescription drugs totaling more than \$1,500 a year.
6. Judge strikes down state law requiring Medicare HMOs to offer unlimited prescription drug coverage for the elderly and disabled, effective January 1, 1999.
7. HMOs announce that they will limit drug benefits for Medicare patients.
8. Massachusetts Health Quality Partnership releases results of first statewide patient satisfaction survey of hospital maternity care conducted by the Picker Institute.
9. Massachusetts HMOs report razor thin profits for 1997.
10. Harvard Pilgrim Health Care reports \$22.2 million loss for the first three quarters of 1998.
11. Tufts Associated Health Plans, Inc. reports \$6.4 million loss for the first three quarters of 1998.
12. Aetna announces that it is pulling out of the Medicare HMO market.
13. Tufts Associated Health Plans, Inc. pulls out of the Massachusetts Medicaid program.
14. Viagra is approved by FDA.
15. HMOs begin to limit Viagra coverage.
16. Blue Cross Blue Shield offers \$8 million in refunds to 60,000 consumers to settle a lawsuit alleging that it failed to pass along hospital discounts to policyholders.
17. Massachusetts Healthcare Purchaser Group predicts 2% increase in health care premiums in 1999.
18. Massachusetts Acute Hospital Closures/Conversions = 0

# 1999 1999 1999 1999 1999 1999 1999 1999

1. American Medical Association officials forced to resign over product endorsement proposal.
2. The New England Journal of Medicine fires its editor over commercialization of the journal.
3. “Whistle-blower” rule passed prohibiting Massachusetts hospitals and nursing homes from retaliating against health care workers who complain of unsafe patient care.
4. Massachusetts Senior Pharmacy Program implements catastrophic benefits for seniors and disabled persons who exceed benefits or are income ineligible for the program.
5. Standard and Poor’s rates as “weak” the financial health of 14 New England HMOs.
6. HMOs establish largest rate increases in over a decade.
7. Kaiser Permanente announces plans to withdraw from Massachusetts.
8. Tufts Associated Health Plans, Inc. announces that it will pull out of the Maine market.
9. Harvard Pilgrim Health Care is placed under receivership by Rhode Island state regulators (in Massachusetts, this occurred in January 2000).
10. Massachusetts hospitals face a \$724 million cut in Medicare funds due to the Balanced Budget Act.
11. Massachusetts Hospital Association (MHA) survey shows that Massachusetts hospital profit margins are the worst they have been in ten years.
12. Six community hospitals lobby for approval to perform tertiary cardiac procedures.
13. Institute of Medicine releases study by Dr. Troy Brennan and others stating more people die from medical errors than from motor vehicle accidents (see year 1990, #10).
14. Massachusetts Acute Hospital Closures/Conversions = 3

Source: Boston Globe Archives, 1990-1999; *Monday Report*, Massachusetts Hospital Association

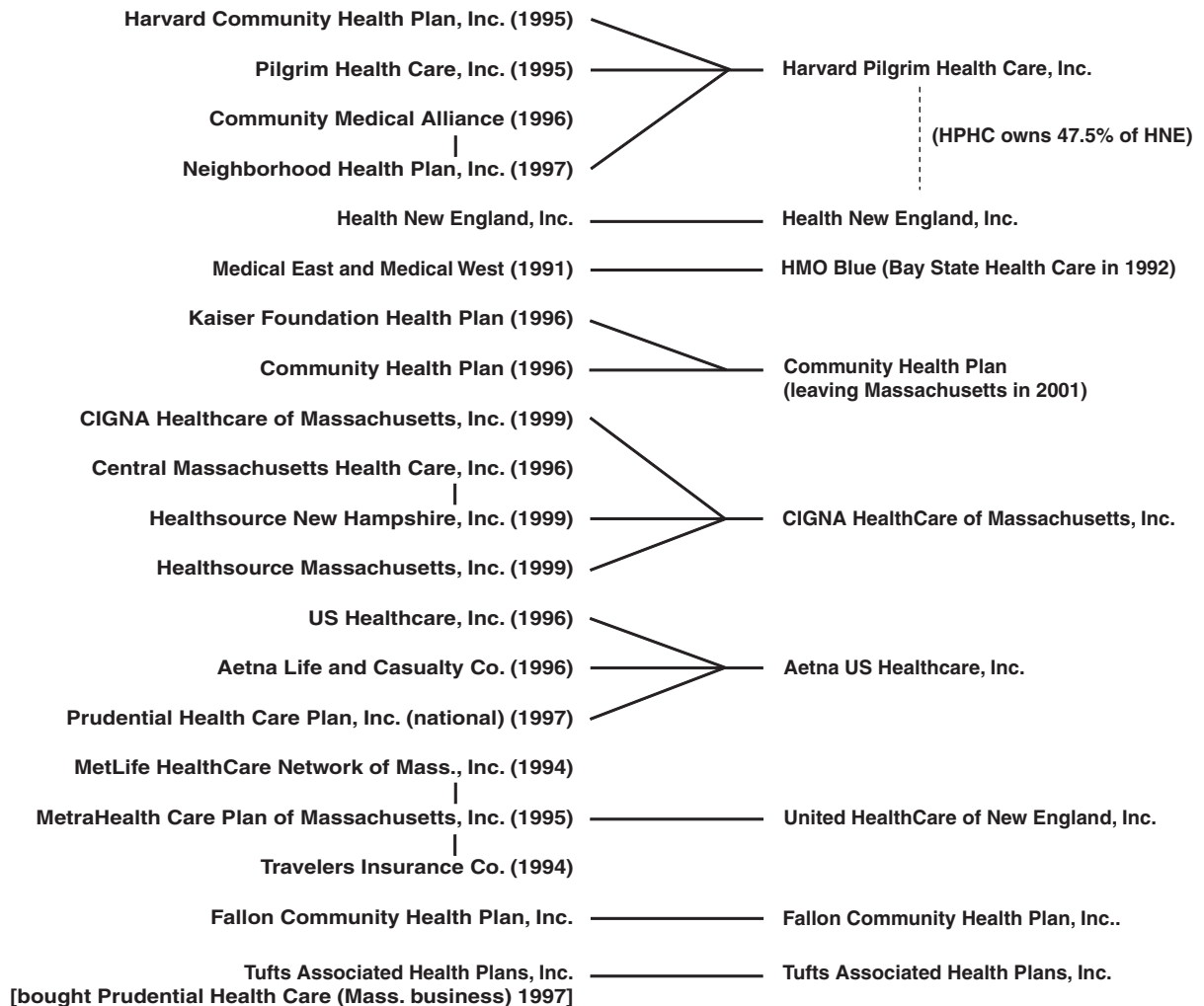
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## 2000 2000 2000 2000 2000 2000 2000 2000

1. Y2K computer transitions occurred without a hitch.
2. Early in the year, the state placed Harvard Pilgrim Health Care (HPHC) in receivership saying the HMO faced losses of \$177 million, far higher than had been anticipated for 1999. The receivership was lifted in May.
3. Tufts Health Plan had to capitulate to Partners HealthCare System's demand for higher reimbursement rates for caring for Tufts members after hearing client outcry. Tufts had threatened to eliminate Partners' hospitals from its network of providers.
4. A State Task Force was formed by Gov. Paul Cellucci to analyze the problems faced by the health care industry in light of HPHC being forced into receivership
5. HMOs announced the introduction of a monthly premium charge in their Medicare+Choice plans for 2001.
6. BCBS withdrew from Massachusetts Association of HMOs (now Massachusetts Association of Health Plans).
7. For the first time, Blue Cross Blue Shield of Massachusetts reported that new enrollment in its PPO product outstripped that of its HMO. PPOs are 10-13% more expensive than HMOs.
8. Question 5 appeared on state ballot mandating universal health care and stringent HMO controls. Initiative failed.
9. New rule adopted by the Public Health Council stipulated that hospitals which plan to shut down an essential service must give 90 days notice and submit to a public hearing.
10. Six week strike by nurses at St. Vincent Hospital won limits on mandatory overtime.
11. Caregroup's flagship hospital, Beth Israel Deaconess, reported big losses.
12. Massachusetts Acute Care Hospital Closures/Conversions = 0



# Appendix II: HMO Consolidation Chart (1990-2000)



Sources: *The Boston Globe*; *Boston Business Journal*; *Business Insurance*; Massachusetts Association of HMOs web site; *The New York Times*; *Monday Report*, Massachusetts Hospital Association; Massachusetts Division of Insurance

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# Appendix III: Hospital Systems (2002)

## **Baystate Health Systems**

Baystate Medical Center  
Franklin Medical Center  
Mary Lane Hospital

## **Berkshire Health Systems**

Berkshire Medical Center  
Fairview Hospital

## **Cape Cod Health Systems**

Cape Cod Hospital  
Falmouth Hospital

## **CareGroup, Inc.**

Beth Israel Deaconess Medical Center  
• Deaconess-Glover Hospital  
Mount Auburn Hospital  
New England Baptist Hospital

## **Caritas Christi Health Care System**

Caritas Carney Hospital  
Caritas Good Samaritan Medical Center  
Caritas Norwood Hospital  
Holy Family Hospital and Medical Center  
Saint Anne's Hospital  
Saint Elizabeth's Medical Center

## **Essent**

Merrimack Valley  
Nashoba Valley Medical Center

## **Hallmark Health Corporation**

Lawrence Memorial Hospital  
Malden Medical Center  
Melrose-Wakefield Hospital

## **Partners HealthCare System, Inc.**

Brigham & Women's Hospital  
Faulkner Hospital  
Massachusetts General Hospital  
McLean Hospital  
Newton-Wellesley Hospital  
North Shore Children's Hospital  
North Shore Medical Center

## **UMass Memorial Health Care**

Clinton Hospital  
HealthAlliance Hospitals, Inc.  
Marlborough Hospital  
UMass Memorial Medical Center  
Wing Memorial Hospital

## **Tenet**

Metrowest  
St. Vincent

Source: Massachusetts Hospital Association web site: <http://www.mhalink.org>; Division of Health Care Finance and Policy; Baystate Health Systems, [www.baystatehealth.com](http://www.baystatehealth.com); Berkshire Health Systems, [www.berkshirehealthsystems.com](http://www.berkshirehealthsystems.com); CareGroup, Inc., [www.caregroup.org](http://www.caregroup.org); Caritas Christi Health Care System, [www.caritaschristi.com](http://www.caritaschristi.com); Hallmark Health Corporation, [hallmarkhealth.org](http://hallmarkhealth.org); Partners HealthCare System, Inc., [www.partners.org](http://www.partners.org); UMass Memorial Health Care, [www.umassmemorial.org](http://www.umassmemorial.org)

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# Appendix IV: Acute Hospital Full Asset Mergers (1990-2002)

- 1990 Medical Center of Central Mass, later Memorial Health Care (Worcester Memorial, Worcester Hahnemann, and Holden Hospitals)
- 1990 Salem Hospital (North Shore Children's and Salem Hospitals)
- 1992 Metrowest Medical Center (Framingham Union and Leonard Morse Hospitals)
- 1992 Saints Memorial (Saint John's and Saint Joseph's Hospitals)
- 1993 Good Samaritan (Cardinal Cushing and Goddard Memorial Hospitals)
- 1994 Health Alliance (Leominster and Burbank Hospitals)
- 1995 Lahey Hitchcock Clinic (Lahey Clinic and Mary Hitchcock Clinic (NH))
- 1996 Berkshire Medical Center (Berkshire Medical Center and Hillcrest Hospital)
- 1996 Beth Israel Deaconess Medical Center (NE Deaconess and Beth Israel Hospitals)
- 1996 Boston Medical Center (University and Boston City Hospitals)
- 1996 Cambridge Community Health Network (Cambridge and Somerville Hospitals)
- 1996 Cape Cod Health Systems (Cape Cod and Falmouth Hospitals)
- 1996 Northeast Health Systems (Beverly and Addison Gilbert Hospitals)
- 1996 Southcoast Health System (Charlton Memorial, Saint Luke's, and Tobey Hospitals)
- 1996 UniCare Health System (Melrose-Wakefield and Whidden Memorial Hospitals)
- 1997 Hallmark Health System Inc. (Lawrence Memorial Hospital, Malden Medical Center, and UniCare Health System)
- 1997 Mercy (Mercy and Providence Hospitals)
- 1998 UMass Memorial Medical Center (Memorial Health Care and UMass Medical Center)
- 2001 Cambridge Health Alliance (Cambridge, Somerville, Whidden and Malden's 42 psych beds)
- 2001 Hallmark Health now only Melrose-Wakefield and Lawrence Memorial
- 2002 CareGroup sold Deaconess-Waltham to a private developer who leases the facility back to Waltham Hospital (new name)
- 2002 Deaconess-Glover now under a new parent: Beth Israel Deaconess Hospital (was under CareGroup parent)

Sources: Massachusetts Hospital Association web site: <http://www.mhalink.org>; Division of Health Care Finance and Policy; Office of the Attorney General

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# Appendix V: Hospital Closures as Acute Inpatient Facilities (1990-2002)

1990 Holden Hospital  
1990 Hunt Memorial Hospital  
1990 Massachusetts Osteopathic Hospital  
1990 Saint Luke's Middleborough Hospital  
1991 Worcester City Hospital  
1993 Amesbury Hospital  
1993 Saint Margaret's Hospital for Women  
1994 Heritage Hospital  
1994 Ludlow Hospital  
1994 Saint Joseph's Hospital  
1994 Winthrop Community Hospital  
1996 Lynn Hospital  
1996 Goddard Memorial Hospital  
1996 Providence Hospital  
1997 Burbank Hospital  
1997 Dana Farber Cancer Institute  
1999 Boston Regional Medical Center  
1999 Malden Hospital  
1999 Symmes Hospital

Sources: Massachusetts Hospital Association web site: <http://www.mhalink.org>; Division of Health Care Finance and Policy; Office of the Attorney General

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# Appendix VI:

## Hospital Acquisitions (1990-2003)

- 1990 Beverly Hospital purchase of Hunt Memorial Hospital
- 1990 Cardinal Cushing Hospital purchase of Saint Luke's Middleborough Hospital
- 1992 Lahey Clinic purchase of J.B. Thomas Hospital
- 1993 Transitional Hospitals Corp. purchase of J.B. Thomas Hospital (for-profit)
- 1994 Boston University Medical Center and East Boston Neighborhood Health Center acquisition of Winthrop Hospital
- 1994 Lahey Clinic (50%) and New England Rehabilitation Hospital (50%) acquisition of Symmes Hospital
- 1994 Vencor, Inc. purchase of Boston Hahnemann Hospital (for-profit)
- 1995 Memorial Health Care acquisition of Clinton Hospital
- 1996 Columbia/HCA purchase of Metrowest Medical Center (for-profit)
- 1996 Memorial Health Care acquisition of Marlborough Hospital
- 1996 OrNda HealthCorp purchase of Saint Vincent Hospital (for-profit)
- 1996 Tenet purchase of St. Vincent's (for-profit)
- 1997 Caritas Christi purchase of Carney Hospital
- 1997 Caritas Christi acquisition of Neponset Valley Health Systems (Norwood)
- 1997 Lifespan acquisition of New England Medical Center
- 1997 Tenet Healthcare Corp acquisition of OrNda HealthCorp
- 1997 Vencor purchase of Transitional Hospitals Corp. (formerly J.B. Thomas Hospital)
- 1998 UMass Memorial Medical Center acquisition of HealthAlliance
- 1999 Tenet Healthcare Corp 80% acquisition of Metrowest Medical Center (for-profit)
- 2001 Cambridge Health Alliance acquisition of Whidden and Malden's 42 psych beds
- 2001 Essent acquisition of Hale (Haverhill) Hospital and name change to Merrimack Valley Hospital
- 2001 Vencor Boston and Vencor North Shore recover from bankruptcy and change names to Kindred Boston and Kindred North Shore
- 2002 Deaconess-Waltham no longer a part of CareGroup; changes name to Waltham Hospital
- 2003 Essent buys Deaconess-Nashoba; new name is Nashoba Valley Medical Center
- 2003 Deaconess-Glover becomes BI Deaconess-Needham Campus under the parent BI Deaconess Hospital, but is still a hospital in its own right

Sources: Massachusetts Hospital Association web site: <http://www.mhalink.org>; Division of Health Care Finance and Policy; Office of the Attorney General

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